

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 89-550-C - ORDER NO. 91-193 ✓
MARCH 8, 1991

IN RE: Application of Telink Telephone)	
Systems, Inc. for a Certificate of)	ORDER GRANTING
Public Convenience and Necessity to)	CERTIFICATE OF
Resale Intrastate, InterLATA)	PUBLIC CONVENIENCE
Telecommunications Services in)	AND NECESSITY TO
South Carolina.)	PROVIDE "0+"
)	COLLECT INTRALATA
)	AND LOCAL CALLS
)	FROM CONFINEMENT
)	FACILITIES

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed on January 29, 1990, by Telink Telephone Systems, Inc., (the Company) seeking a Certificate of Public Convenience and Necessity to operate as a reseller of telecommunications services within the State of South Carolina to provide resold and "0+" collect only interexchange telephone service from points of origin within the State of South Carolina to termination points within South Carolina, within other parts of the United States, or within foreign countries. These services are expected to be used primarily by callers in county jails and State correction facilities including temporary housing units.

By Order No. 90-908, the Commission granted the Company a Certificate of Public Convenience and Necessity to provide intrastate, interLATA service through the resale of intrastate WATS, MTS, FX and Private Line Services, or any other services authorized for resale by tariffs of facility based carriers approved by the Commission. The Commission had previously held in Order No. 90-663 issued in Docket No. 90-305-C that Telink's request for authority to provide "0+" collect local and intraLATA service to confinement facilities would be held in abeyance pending the Commission's decision in Docket No. 90-305-C. The Commission, having granted the Applicant's of Docket No. 90-305-C the requested authority, will now consider Telink's request to provide such service.

After reviewing the evidence in the record the Commission makes the following findings of fact and conclusions of law:

FINDINGS

1. The Commission has determined in Order No. 91-122 issued in Docket No. 90-305-C that a Certificate of Public Convenience and Necessity is required to provide "0+" collect local and intraLATA operator assisted service from confinement facilities.

2. To be granted a Certificate of Public Convenience and Necessity, the Company must demonstrate a public need for the service and that it is fit, willing and able to provide the service.

3. The services under consideration are proposed to be provided to a very limited market - to provide confinement

facility inmates with access to telephones to make personal telephone calls.

4. The proposed service is provided through advanced store and forward technology which permits the inmates to make collect-only calls.

5. The testimony of witness Newman supports the use of automated collect calling in confinement facilities. Such a service prevents fraud, particularly since there is no live operator to "get by" to access other services through the use of authorization codes or unsecured lines which give a second dial tone.

6. It was not disputed that this technology will reduce costs and create a more efficient use of the network by shortening call completion times and eliminating inmate nuisance calls to operators.

7. The technology will also benefit the confinement facilities in that facilities using this service will be able to provide a satisfactory volume of calling for its inmates. The confinement facilities also experience the following benefits:

a. The availability of automated collect COCOT phones cuts down on the administrative costs formerly associated with providing the minimum calling for inmates.

b. The inmate populations experience a significant improvement in morale.

c. Confinement facility administrators are able to

more effectively control the inmate population by limiting telephone access in order to discipline inappropriate behavior and reward appropriate behavior.

8. Harassment calls from inmates to jurors, witnesses, and county personnel are virtually eliminated by utilizing the selective number blocking feature available through store and forward technology.

9. Because the telephones are automated, collect-only phones, fraudulent calling is much more difficult for the inmates. The critical factor in the operation of these phones which makes them less susceptible to fraud is that the inmate has no access to an outside line until the call is connected to and accepted by a party at the number which he has dialed. This prevents the inmate from having access to a live operator and prevents him from receiving a second dial tone.

10. Southern Bell contends that since traditional AOS providers have not been authorized to provide local and intraLATA calls, Telink should be prevented from doing so as well.

11. Telink has asked for an exception to this Commission policy as to the provision of such service on a collect basis from confinement facilities only.

12. During the hearing, Southern Bell objected on the ground of hearsay to certain testimony given by witness Newman which quoted an Inmate Service Industry Report, information from the National Toll Fraud Prevention Committee, and a New York Times article. Mr. Newman was not the author of any of these

publications. Southern Bell objected to questions 5.1, 5.2, 5.3 and the summary of question 5.

13. At the close of the hearing, the Consumer Advocate made a motion that if the Commission granted Telink the requested authority then 1) rate information should be provided on bills to the called parties, 2) the name "Telink" should be placed on the bill, and 3) the rates for operator service should be reduced since there is no live operator.

CONCLUSIONS

1. Telink has demonstrated a need for this particular service from the confinement facilities to prevent fraud, provide greater calling volume for inmates, reduce administrative costs and control the inmate population by using the telephone system as a disciplinary tool.

2. Through the filing of certain financial exhibits and tariffs, the Company has shown itself to be fit, willing and able to provide the requested service.

3. Based on the foregoing findings and conclusions, the Commission has determined that a Certificate of Public Convenience and Necessity should be granted to Telink for the provision of "0+" intraLATA and local automated collect calls from confinement facilities only. The Company was previously granted interLATA authority by Order No. 90-908 issued in the instant Docket.

4. The Commission had concluded in Order No. 91-122 issued in Docket No. 90-305-C that:

a. Local collect calls should be charged at the

LEC rate for a coin call from a confinement facility, plus the operator assistance charge for a local call. Presently, such a call would be rated at 80¢

b. The intraLATA collect calls would be billed at the LEC's "0+" rate and that the LEC would receive compensation at its "1+" Message Toll Service (MTS) rate for the duration of the connection made with the called party whether the call was accepted or not.

5. As to interLATA collect calls, the Commission has previously determined that issue in Order No. 90-908, but such is subject to the provisions of Conclusion number 7, infra, including all sub. parts.

6. The local exchange companies should bill and collect for certified carriers providing "0+" interLATA, intraLATA and local collect calls from confinement facilities at the applicable rate for interexchange carriers.

7. The findings and conclusions of the Commission in Order No. 91-122, supra, concerning the conditions of certification are pertinent and applicable to Telink and shall apply as set forth herein:

a. The Company certified herein shall comply with all Commission guidelines pertaining to the provision of COCOT service as set forth in Docket No. 85-150 and any other relevant proceedings. Any departure from the requirements of the guidelines will not be allowed without a specific request for a waiver.

b. Waiver of the guidelines is not to be considered a grant of authority to provide "0+" collect store and forward calling from confinement facilities. Rather, it is merely the authorization to program the facilities so that they may carry such calls once proper certification is given by the Commission for "0+" collect calling from confinement facilities only.

c. Any confinement facility COCOT provider wishing to provide interLATA, intraLATA or local "0+" collect calling using store and forward technology should file an application with the Commission requesting certification to provide any or all of above-mentioned services.

d. That the rates charged for such "0+" collect calls from confinement facilities on a local or intraLATA basis shall be no more than the rates charged by the LEC for local or intraLATA operator assisted calls at the time such call is completed.

e. That the rates charged for "0+" collect calls from confinement facilities on an interLATA basis shall be no more than the rates charged for interLATA operator assisted calls by AT&T Communications at the time such call is completed.

f. A rate structure incorporating a maximum rate level with the flexibility for downward adjustment has been previously adopted by this Commission. IN RE:

Application of GTE Sprint Communications Corporations, etc., Order 84-622, issued in Docket 84-10-C on August 2, 1984. The Commission herein finds that the appropriate rate structure for the Applicants should include a maximum rate level for each tariff charge, with the restrictions of paragraphs 4 and 5 above duly incorporated.

g. That while the Commission is conscious of the need for the Company to adjust rates and charges timely to reflect the forces of economic competition, rate and tariff adjustments below the maximum levels should not be accomplished without notice to the Commission and to the public. The Company shall incorporate provisions for filing rate changes and publication of notice of such changes two weeks prior to the effective date of such changes, and affidavits of publication must be filed with the Commission. Any proposed increase in the maximum rate level reflected in the tariffs of the Company, which should be applicable to the general body of subscribers would constitute a general ratemaking proceeding which would be treated in accordance with the notice and hearing provisions of the S.C. Code Ann. Section 58-9-540 (Cum. Supp. 1990).

h. The Company is required to brand all calls so that they are identified as the carrier of such calls to the called party.

i. A "0+" collect call should only be completed upon affirmative acceptance of the charges from the called party.

j. Call detail information submitted by the Company to the LEC's for billing must include the COCOT access line number assigned to the line by the local exchange company.

k. The bill provided to the called party should provide the name of the Company and a toll-free number for contacting the Company concerning any billing or service questions.

l. The Company may only use such underlying carriers for the provision of intrastate interLATA telecommunications service as are certified by this Commission to provide such service and the Company will notify the Commission in writing as to their underlying carrier or carriers and of any change in their carrier.

m. The Company is subject to any applicable access charges pursuant to Commission Order No. 86-584.

n. The Company is required to file on a yearly basis surveillance reports with the Commission as required by Order No. 88-178 in Docket 87-483-C.

o. The Company should file tariffs in accordance with the findings and conclusions herein within 30 days of the date of this Order; such tariffs will be deemed the Applicants' maximum rates and the Applicants must

file a price list of current charges.

8. The hearsay objection of Southern Bell is sustained to the extent applicable to question 5.1. This would include any reference to the Inmate Service Industry Report and the National Toll Prevention Committee, virtually the entire response to question 5.1. Mr. Newman did not make the statements, and the author was not presented to testify. The reports clearly fall into objectionable hearsay. As to question 5.2, only one reference is made to any Report. As to the reference to the National Toll Fraud Prevention Report, the objection is sustained. The remainder of Newman's response to 5.2 does not appear to be based on the Report and is admissible. Newman's response to 5.3 is based on The New York Times article. The objection of Southern Bell is sustained for the same reasons as 5.1. Southern Bell's objection to the summary of question 5 is overruled. The Commission sees no objectionable hearsay in Mr. Newman's summary.

9. The Motion of the Consumer Advocate to require rate information and the name "Telink" on bills to called parties is granted to the extent possible. If the LEC performs the billing and collection, the LEC may not have the capability to provide that information directly on the bill. Where it is possible to provide the name "Telink" on the bill, it must be done. A toll-free number should be listed on the bill so that billing and service inquiries can be made. Rate information should be available through the toll-free number. The Commission will not require a rate reduction in the operator service rate because a live operator is not used.

The testimony of witness Newman indicates that there is relatively no cost difference between a live operator assisted call and an automated operator assisted call.

IT IS THEREFORE ORDERED:

1. That the type of service offered by the Company from confinement facilities requires a certificate of public convenience and necessity.

2. That the Company has demonstrated a particular public need and that it is fit, willing and able to provide the requested service from confinement facilities; therefore, the Company is hereby granted a certificate of public convenience and necessity for the provision of "0+" interLATA, intraLATA and local automated collect calls from confinement facilities only.


3. That the rates so charged for said service are subject to the restrictions enunciated herein.

4. That local exchange companies are required to provide billing and collection services to properly certificated confinement facility "0+" providers at the applicable rate for interexchange carriers.

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5. That this Order shall remain in full force and effect
until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)